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CITY OF CHATTANOOGA, TENNESSEE

NET ASSETS BY COMPONENT
LAST THREE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year		
	2007	2006	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 1,267,302,733	\$ 1,269,926,195	\$1,277,883,814
Restricted	16,780,377	6,312,540	7,713,513
Unrestricted	<u>86,896,179</u>	<u>93,438,219</u>	<u>73,336,654</u>
Total governmental activities net assets	<u>\$ 1,370,979,289</u>	<u>\$ 1,369,676,954</u>	<u>\$ 1,358,933,981</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 478,366,634	\$ 491,351,965	\$ 457,612,822
Restricted	18,789,364	17,944,835	18,300,530
Unrestricted (1)	<u>12,305,490</u>	<u>(12,141,852)</u>	<u>9,241,302</u>
Total business-type activities net assets	<u>\$ 509,461,488</u>	<u>\$ 497,154,948</u>	<u>\$ 485,154,654</u>
Primary government:			
Invested in capital assets, net of related debt	\$ 1,745,669,367	\$ 1,761,278,160	\$ 1,735,496,636
Restricted	35,569,741	24,257,375	26,014,043
Unrestricted	<u>99,201,669</u>	<u>81,296,367</u>	<u>82,577,956</u>
Total primary government net assets	<u>\$ 1,880,440,777</u>	<u>\$ 1,866,831,902</u>	<u>\$ 1,844,088,635</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. However this schedule was not required until fiscal year 2006; there will ultimately be ten years of information provided.

- (1) In 2006, the Solid Waste Fund had a negative, unrestricted net asset balance due to EPA unfunded mandates for an old landfill. EPB also had negative, unrestricted net assets. During fiscal year 2006, unrestricted, net assets for EPB decreased \$20 million; offset by a \$24 million increase in net assets invested in capital. They issued bonds early in fiscal year 2007 which contributed to the increase in the unrestricted amount in fiscal year 2007.

CITY OF CHATTANOOGA, TENNESSEE

CHANGES IN NET ASSETS
LAST THREE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year		
	2007	2006	2005
Expenses			
Governmental activities:			
General government	\$ 61,461,251	\$ 60,152,675	\$ 59,850,789
Public safety	68,559,200	64,367,574	63,805,046
Public works	55,075,495	55,077,404	54,323,539
Parks and recreation	15,263,490	13,785,184	13,562,609
Social services	22,080,281	19,199,188	21,530,148
Interest on long-term debt	6,835,471	6,493,154	6,004,530
Total governmental activities expenses	<u>229,275,188</u>	<u>219,075,179</u>	<u>219,076,661</u>
Business-type activities:			
Electric utility	441,556,000	417,792,000	371,630,000
Sewer	35,307,852	35,395,214	33,606,869
Solid waste	4,956,281	4,678,270	4,260,270
Storm water	4,937,896	4,475,706	4,709,090
Housing management	1,410,217	1,552,119	1,698,166
Total business-type activities expenses	<u>488,168,246</u>	<u>463,893,309</u>	<u>415,904,395</u>
Total primary government expenses	<u>717,443,434</u>	<u>682,968,488</u>	<u>634,981,056</u>
Program Revenues			
Governmental activities:			
Charges for services -			
General government	11,913,650	9,279,550	8,523,871
Public safety	298,434	1,121,281	864,536
Public works	1,901,136	2,392,789	2,390,699
Parks and recreation	3,366,016	2,910,484	2,768,211
Social services	117,114	1,163,593	2,997,590
Operating grants and contributions	31,846,034	29,397,005	27,384,160
Capital grants and contributions	15,453,667	14,440,793	17,744,674
Total governmental activities program revenues	<u>64,896,051</u>	<u>60,705,495</u>	<u>62,673,741</u>
Business-type activities:			
Charges for services -			
Electric utility	441,881,000	422,143,000	373,490,000
Sewer	39,217,346	36,509,866	35,976,537
Solid waste	5,563,236	5,475,554	5,881,486
Storm water	5,549,732	5,730,458	5,491,938
Housing management	1,168,471	1,204,120	1,367,348
Operating grants and contributions	175,675	76,532	83,652
Capital grants and contributions	1,853,750	3,379,000	1,893,247
Total business-type activities program revenues	<u>495,409,210</u>	<u>474,518,530</u>	<u>424,184,208</u>
Total primary government program revenues	<u>560,305,261</u>	<u>535,224,025</u>	<u>486,857,949</u>

(continued on following page)

CITY OF CHATTANOOGA, TENNESSEE

CHANGES IN NET ASSETS
LAST THREE FISCAL YEARS
(accrual basis of accounting)

(continued from previous page)

	Fiscal Year		
	2007	2006	2005
Net (expense)/revenue:			
Governmental activities	\$ (164,379,137)	\$ (158,369,684)	\$ (156,402,920)
Business-type activities	<u>7,240,964</u>	<u>10,625,221</u>	<u>8,279,813</u>
Total primary government net expense	<u>(157,138,173)</u>	<u>(147,744,463)</u>	<u>(148,123,107)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes:			
Property taxes	89,934,837	87,484,889	89,490,700
Liquor and beer taxes	6,589,468	6,393,852	6,245,169
Gross receipts tax	3,773,166	3,510,891	3,695,782
Franchise tax	1,764,684	1,755,878	1,664,863
Hotel-motel tax	3,747,137	3,640,518	2,583,318
Other taxes	2,542,465	2,471,256	198,958
Unrestricted investment earnings	5,192,979	3,441,171	1,545,737
Grants not allocated to specific programs	52,074,331	49,165,675	48,501,241
Gain on sale of capital assets	-	-	81,638
Change in equity interest	6,362	8,789,979	-
Endowment contributions	11,044	500	-
Transfers	<u>44,999</u>	<u>2,458,048</u>	<u>(563,637)</u>
Total governmental activities	<u>165,681,472</u>	<u>169,112,657</u>	<u>153,443,769</u>
Business-type activities:			
Unrestricted investment earnings	5,001,647	3,015,706	1,942,076
Miscellaneous	108,928	817,415	184,682
Transfers	<u>(44,999)</u>	<u>(2,458,048)</u>	<u>563,637</u>
Total business-type activities	<u>5,065,576</u>	<u>1,375,073</u>	<u>2,690,395</u>
Total primary government	<u>170,747,048</u>	<u>170,487,730</u>	<u>156,134,164</u>
Change in Net Assets			
Governmental activities	1,302,335	10,742,973	(2,959,151)
Business-type activities	<u>12,306,540</u>	<u>12,000,294</u>	<u>10,970,208</u>
Total primary government	<u>\$ 13,608,875</u>	<u>\$ 22,743,267</u>	<u>\$ 8,011,057</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. However this schedule was not required until fiscal year 2006; there will ultimately be ten years of information provided.

CITY OF CHATTANOOGA, TENNESSEE

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST THREE FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property Tax	Liquor & Beer Tax		Other City-Levied Taxes				Total
		Liquor	Beer	Gross Receipts	Franchise Tax	Hotel- Motel Tax	Other Taxes	
2005	\$ 89,490,700	\$ 1,606,265	\$ 4,638,904	\$ 3,695,782	\$ 1,664,863	\$ 2,583,318	\$ 3,156,626	\$ 106,836,458
2006	87,484,889 (1)	1,658,004	4,735,848	3,510,891	1,755,878	3,640,518	2,471,256 (2)	105,257,284
2007	89,934,837 (1)	1,748,944	4,840,524	3,773,166	1,764,684	3,747,137	2,542,465 (2)	108,351,757

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. However this schedule was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) EPB pays in-lieu of property taxes to the City. In fiscal year 2006, this began to be reported as a transfer.

(2) Change in unearned revenue of \$1,084,849 was included in other taxes in 2005. A similar amount of \$1,476,590 was allocated as program revenue in 2006 and 2007.

CITY OF CHATTANOOGA, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year		
	2007	2006	2005
General fund:			
Reserved	\$ 3,593,931	\$ 4,347,114	\$ 3,473,740
Unreserved -			
Designated	6,509,160	6,557,035	5,000,477
Undesignated	<u>45,027,258</u>	<u>45,138,561</u>	<u>38,975,983</u>
Total general fund	<u>55,130,349</u>	<u>56,042,710</u>	<u>47,450,200</u>
All other governmental funds:			
Reserved	25,499,173	16,086,804	19,730,102
Unreserved, reported in -			
Special revenue funds	10,029,363	10,103,900	10,079,521
Debt service fund	7,548,761	5,842,577	6,471,929
Permanent funds	<u>47,070</u>	<u>45,786</u>	<u>73,056</u>
Total all other governmental funds	<u>43,124,367</u>	<u>32,079,067</u>	<u>36,354,608</u>
Total governmental funds	<u>\$ 98,254,716</u>	<u>\$ 88,121,777</u>	<u>\$ 83,804,808</u>

Note: The City implemented GASB Statement 34 in fiscal year 2002 when permanent funds were added as a fund type. However this schedule was not required until fiscal year 2006; there will ultimately be ten years of information provided.

CITY OF CHATTANOOGA, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year		
	2007	2006	2005
Revenues			
Taxes	\$ 106,062,416	\$ 103,157,615	\$ 103,878,878
Licenses and permits	4,754,390	4,272,090	4,092,969
Intergovernmental	87,768,854	83,117,431	84,821,126
Charges for services	4,760,080	4,292,707	3,916,340
Fines, forfeitures and penalties	1,424,431	1,472,402	1,410,642
Investment income	5,899,679	3,949,483	2,209,234
Contributions and donations	644,561	414,713	3,761,340
Miscellaneous	7,663,218	8,891,546	8,404,282
Total revenues	<u>218,977,629</u>	<u>209,567,987</u>	<u>212,494,811</u>
Expenditures			
General government	65,854,933	63,379,025	65,458,272
Public safety	69,319,262	63,063,290	62,237,355
Public works	33,619,639	32,797,851	31,623,156
Parks and recreation	14,735,418	13,113,632	12,707,873
Community development	5,405,373	3,029,762	3,839,453
Capital outlay	31,430,746	28,294,636	57,463,455
Debt service:			
Principal	8,453,319	7,735,136	5,777,360
Interest	7,215,084	6,402,538	6,498,717
Total expenditures	<u>236,033,774</u>	<u>217,815,870</u>	<u>245,605,641</u>
Excess of revenues over (under) expenditures	<u>(17,056,145)</u>	<u>(8,247,883)</u>	<u>(33,110,830)</u>
Other financing sources (uses)			
Transfers in	37,882,821	28,655,193	27,789,202
Transfers out	(40,911,869)	(26,197,145)	(28,352,839)
Refunding bonds issued	14,520,000	-	22,906,508
Bond Issue	20,732,796	-	-
Premium on bonds issued	969,489	-	1,319,753
Payments to refunded bond escrow agent	(14,906,348)	-	(23,958,331)
Proceeds of notes payable	8,902,195	10,106,804	7,339,369
Total other financing sources (uses)	<u>27,189,084</u>	<u>12,564,852</u>	<u>7,043,662</u>
Net change in fund balances	<u>\$ 10,132,939</u>	<u>\$ 4,316,969</u>	<u>\$ (26,067,168)</u>
Debt service as a percentage of non-capital expenditures	8.24%	7.99%	6.98%

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

CITY OF CHATTANOOGA, TENNESSEE

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30	Real Property			Personalty	Public Utilities	Original Total Taxable Assessed Value(1)(2)	Direct Tax Rate	Estimated Actual Taxable Value(1)	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Multi-Use Property						
2005	\$ 1,078,324,365	\$ 1,561,594,535	\$ 39,015,735	\$ 429,448,247	\$ 210,866,286	\$ 3,319,249,168	\$ 2.202	\$ 10,323,946,674	32.15%
2006	1,324,074,615	1,798,350,685	47,481,205	455,264,664	235,281,790	3,860,452,959	2.202	11,955,447,977	32.29%
2007	1,362,719,845	1,847,946,530	46,096,515	480,080,854	231,313,627	3,968,157,371	2.202	12,310,849,619	32.23%

Source: City Treasurer

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) All assessments and estimated actual values are based on initial levy: does not include any adjustments.

(2) All assessments are included in taxable. The Hamilton County Tax Assessor does not maintain assessments for tax exempt properties.

CITY OF CHATTANOOGA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30	City of Chattanooga Tax Rate	Hamilton County				Total Direct & Overlapping Rates(1)
		General Fund Tax Rate	School Fund Tax Rate	Road Fund Tax Rate	Total Tax Rate	
2005	2.2020	1.3159	1.5655	0.0126	2.8940	5.0960
2006	2.2020	1.3159	1.5655	0.0126	2.8940	5.0960
2007	2.2020	1.5655	1.5759	0.0126	3.1540	5.3560

Source: www.hamiltontn.gov/trustee/

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Chattanooga.

CITY OF CHATTANOOGA, TENNESSEE

PRINCIPAL PROPERTY TAXPAYERS
June 30, 2007

Taxpayer	2007			1998		
	Taxable(1) Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Electric Power Board (2)	\$ 150,414,247	1	3.79%	\$ 93,308,437	1	3.69%
Tennessee Valley Authority (Chattanooga Computer Center)	99,775,985	2	2.51%	45,878,160	4	1.81%
CBL & Associates	59,085,132	3	1.49%	41,061,071	5	1.62%
BellSouth	51,316,534	4	1.29%	51,842,024	3	2.05%
Tennessee-American Water Co.	43,364,206	5	1.09%	31,140,188	6	1.23%
Unum/Provident Ins. Co.	37,919,787	6	0.96%	26,328,391	7	1.04%
BlueCross BlueShield	33,725,882	7	0.85%	21,545,932	9	0.85%
AGL Resources-Chattanooga Gas	30,187,224	8	0.76%	23,408,247	8	0.93%
Kenco Group, Inc.	27,259,253	9	0.69%	-		0.00%
INVISTA (Dupont)	26,778,183	10	0.67%	67,737,309	2	2.68%
JDK Corporation	-		0.00%	16,265,274	10	0.64%
Totals	<u>\$ 559,826,433</u>		<u>14.10%</u>	<u>\$ 418,515,033</u>		<u>16.54%</u>

Source: The City Treasurer

Notes:

- (1) Property taxpayers includes both property taxes and payment in-lieu of taxes.
- (2) Beginning in fiscal year 06 EPB payment in-lieu of taxes were reported as a transfer.

CITY OF CHATTANOOGA, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30	Original Tax Levy(1)	Cumulative Adjustments to Tax Levy(2)	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 83,512,333	\$ 29,918	\$ 83,542,251	\$ 79,901,518	95.6%	\$ 2,906,308	\$ 82,807,826	98.4%
2006	85,007,191	(250,265)	84,756,926	81,194,003	95.8%	2,510,282	83,704,285	95.7%
2007	87,378,841	21,164	87,400,005	83,848,154	95.9%	-	83,848,154	95.9%

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) Total billed amounts from City Treasurer's Office.

(2) Adjusted for errors and releases as well as pickups in each subsequent year.

CITY OF CHATTANOOGA, TENNESSEE
GENERAL FUND INTERGOVERNMENTAL REVENUE
LAST THREE FISCAL YEARS

Fiscal Year	County-Wide Sales Tax	City Allocation State Sales Tax	County-Wide Designated Sales Tax	City Allocation State Income Tax	Mixed Drink Tax	Other Revenue	Total
2005	\$ 23,585,866	\$ 9,398,986	\$ 9,615,776	\$ 2,149,036	\$ 1,347,872	\$ 6,256,823	\$ 52,354,359
2006	25,063,557	10,379,781	10,153,916	3,071,346	1,540,706	6,150,412	56,359,718
2007	26,154,704	11,180,175	10,566,227	4,125,590	1,748,548	5,744,627	59,519,871

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. However this schedule was not required until fiscal year 2006; there will ultimately be ten years of information provided.

CITY OF CHATTANOOGA, TENNESSEE
PROPERTY VALUE AND CONSTRUCTION
LAST THREE FISCAL YEARS

Calendar Year (1)	Commercial Construction (2)		Residential Construction (2)		Property Value (3)		
	Number of Permits	Value	Number of Permits	Value	Commercial	Residential	Public Utilities
2004	690	\$226,955,234	1,810	\$ 120,703,243	\$4,026,000,322	\$4,313,292,300	\$383,393,247
2005	808	226,421,856	1,870	162,002,991	4,713,822,750	5,296,293,120	427,785,073
2006	907	234,192,365	1,760	181,022,954	4,839,133,200	5,450,878,720	420,570,231

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. However this schedule was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) Latest information available for the calendar year.

(2) Source: City of Chattanooga Building Inspection Department. The values are based on the current industry averages as published by the Southern Building Code Congress International (SBCCI).

(3) Estimated actual values from Property Tax Assessor's Office records.

CITY OF CHATTANOOGA, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST THREE FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities (1)			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Notes Payable	Capital Leases	General Obligation Bonds	Notes Payable	Capital Leases			
2005	\$ 125,317,464	\$ 13,594,190	\$ 118,842,663	\$ 125,387,536	\$ 45,438,276	\$ 234,453	\$ 428,814,582	9.26%	\$ 2,769
2006	120,680,396	21,356,582	118,275,709	113,409,604	43,452,859	214,562	417,389,712	8.67%	2,697
2007	136,098,716	27,592,266	115,513,895	106,881,287	45,422,117	193,543	431,701,824	7.89%	2,565

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) The Electric Power Board has \$71.4 million in revenue bonds and \$1.97 million in equipment notes outstanding as of June 30, 2007. However the Electric Power Board submits separate disclosures to the Securities & Exchange Commission. Therefore its debt is excluded from this schedule.

(2) See the schedule of Demographic and Economic Statistics for income and population data.

CITY OF CHATTANOOGA, TENNESSEE

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST THREE FISCAL YEARS

Fiscal Year	General Obligation Bonds	Notes and Capital Leases(1)	Less: General Obligation Debt Paid by Legally Restricted Resources									Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property(2)	Per Capita (3)
			Hotel-Motel Debt	CDRC Capital Lease	Fannie Mae Loan	Republic Parking Loan	800 MHz Capital Lease	Sewer Debt	Solid Waste Debt	Storm Water Debt	Debt Service Fund Balance			
2005	\$ 250,705,000	\$ 178,109,582	\$ 55,174,987	\$ 115,925,472	\$ 1,534,829	\$ -	\$ 2,917,191	\$ 127,396,823	\$ 26,041,104	\$ 17,622,338	\$ 6,471,929	\$ 75,729,909	0.73%	\$ 489
2006	234,090,000	183,299,712	55,174,987	115,925,472	2,473,620	126,923	2,350,237	116,878,339	24,052,649	16,146,037	7,139,208	77,122,240	0.65%	498
2007	242,980,000	188,721,819	54,434,830	113,738,737	2,752,555	-	1,775,158	109,164,894	28,679,013	14,653,040	8,871,564	97,632,028	0.79%	580

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided

(1) The Electric Power Board has \$1.97 million in equipment notes outstanding as of June 30, 2007. However the Electric Power Board submits separate disclosures to the Securities & Exchange Commission
Therefore its notes are excluded from this schedule

(2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data

(3) See the schedule of Demographic and Economic Statistics for population data

CITY OF CHATTANOOGA, TENNESSEE

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Hamilton County General Obligation Debt	\$ 106,115,034	61.1845 %	\$ 64,925,953
Other debt:			
Hamilton County Notes Payable	39,989,628	61.1845 %	<u>24,467,513</u>
Subtotal, overlapping debt (1)			89,393,466
City of Chattanooga net direct debt			<u>97,632,033</u>
Total direct and overlapping debt			<u><u>\$ 187,025,499</u></u>

Source: Assess value data used to estimate applicable percentages provided by Hamilton County.
Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Chattanooga. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.
- (2) The percentage of overlapping debt is calculated by dividing the City's assessed property values by the total Hamilton County assessments.

CITY OF CHATTANOOGA, TENNESSEE

LEGAL DEBT MARGIN INFORMATION
LAST THREE FISCAL YEARS

	Fiscal Year		
	2007	2006	2005
Debt limit(1)	\$ 396,815,737	\$ 386,045,296	\$ 331,924,917
Total net debt applicable to limit(2)	<u>97,632,033</u>	<u>77,122,240</u>	<u>75,729,909</u>
Legal debt margin	<u>\$ 299,183,704</u>	<u>\$ 308,923,056</u>	<u>\$ 256,195,008</u>
Total net debt applicable to the limit as a percentage of debt limit	24.60%	19.98%	22.82%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 3,968,157,371	\$ 3,860,452,959	\$ 33,319,249,168
Debt limit (10% of total assessed value)	396,815,737	386,045,296	331,924,917
Debt applicable to limit:			
General obligation bonds	106,503,597	84,261,448	82,201,838
Less: amount set aside for repayment of general obligation debt	<u>(8,871,564)</u>	<u>(7,139,208)</u>	<u>(6,471,929)</u>
Total net debt applicable to limit	<u>97,632,033</u>	<u>77,122,240</u>	<u>75,729,909</u>
Legal debt margin	<u>\$ 299,183,704</u>	<u>\$ 308,923,056</u>	<u>\$ 256,195,008</u>

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

- (1) The City of Chattanooga's outstanding general obligation debt should not exceed 10 percent of total assessed property value.
- (2) General obligation debt may be offset by amounts set aside for repaying general obligation bonds. See "Ratio's of General Bonded Debt Outstanding" for details.

CITY OF CHATTANOOGA, TENNESSEE

HISTORICAL DEBT RATIOS

June 30, 2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007(4)
Estimated population (1)	148,800	147,500	145,700	155,554	155,992	155,582	155,289	154,853	154,762	168,293
Appraised property valuation	\$7,710,994,825	\$7,944,005,472	\$7,984,908,874	\$8,281,644,305	\$9,789,654,070	\$9,944,568,067	\$10,057,472,717	\$10,323,946,674	\$11,955,447,979	\$12,310,849,619
Assessed property valuation	2,529,989,692	2,604,110,025	2,617,535,875	2,729,189,057	3,201,730,577	3,260,023,356	3,237,183,936	3,319,249,168	3,860,452,959	3,968,157,371
Gross indebtedness (2)	245,731,165	237,505,962	223,521,569	258,442,849	244,704,834	427,890,091	434,308,264	428,814,582	417,389,712	431,701,818
Less: Self-supporting indebtedness (3)	194,393,764	190,087,672	179,866,956	178,059,226	169,036,886	344,499,352	353,562,826	346,612,744	333,128,264	325,198,221
Debt Service Fund	<u>7,126,274</u>	<u>2,566,687</u>	<u>2,671,606</u>	<u>4,163,307</u>	<u>5,497,083</u>	<u>4,988,142</u>	<u>5,222,704</u>	<u>6,471,929</u>	<u>7,139,208</u>	<u>8,871,564</u>
Net direct indebtedness	44,211,127	44,851,603	40,983,007	76,220,316	70,170,865	78,402,597	75,522,734	75,729,909	77,122,240	97,632,033
Plus: Estimated net overlapping indebtedness	<u>99,208,181</u>	<u>98,505,368</u>	<u>88,150,782</u>	<u>103,117,962</u>	<u>109,591,857</u>	<u>96,147,876</u>	<u>107,821,749</u>	<u>97,486,316</u>	<u>87,645,429</u>	<u>89,393,466</u>
Net direct and overlapping indebtedness	<u>\$ 143,419,308</u>	<u>\$ 143,356,971</u>	<u>\$ 129,133,789</u>	<u>\$ 179,338,278</u>	<u>\$ 179,762,722</u>	<u>\$ 174,550,473</u>	<u>\$ 183,344,483</u>	<u>\$ 173,216,225</u>	<u>\$ 164,767,669</u>	<u>\$ 187,025,499</u>
Gross debt per capita	\$1,651.42	\$1,610.21	\$1,534.12	\$1,661.43	\$1,568.70	\$2,750.25	\$2,796.77	\$2,769.17	\$2,696.98	\$2,565.18
Net direct debt per capita	297.12	304.08	281.28	489.99	449.84	503.93	486.34	489.04	498.33	580.13
Net direct and overlapping debt per capita	963.84	971.91	886.30	1,152.90	1,152.38	1,121.92	1,180.67	1,118.58	1,064.65	1,111.31
Gross debt to appraised valuation	3.19%	2.99%	2.80%	3.12%	2.50%	4.30%	4.32%	4.15%	3.49%	3.51%
Net direct debt to appraised valuation	.57%	.56%	.51%	.92%	.72%	.79%	.75%	.73%	.65%	.79%
Net direct debt and overlapping debt to appraised valuation	1.86%	1.80%	1.62%	2.17%	1.84%	1.76%	1.82%	1.68%	1.38%	1.52%
Gross debt to assessed valuation	9.71%	9.12%	8.54%	9.47%	7.64%	13.13%	13.42%	12.92%	10.81%	10.88%
Net direct debt to assessed valuation	1.75%	1.72%	1.57%	2.79%	2.19%	2.40%	2.33%	2.28%	2.00%	2.46%
Net direct and overlapping debt to assessed valuation	5.67%	5.51%	4.93%	6.57%	5.61%	5.35%	5.66%	5.22%	4.27%	4.71%

(1) Population figures for all years are estimates

(2) Gross indebtedness excludes revenue bonds payable by the Electric Power Board of Chattanooga and the Metropolitan Airport Authority

(3) The self-supporting debt includes Sewer Bonds and Municipal Public Improvement Bonds supported by Hotel-Motel taxes, CDRC capital lease, Fannie Mae American Communities fund 800 MHz Equipment Capital Lease

(4) U.S. Census Bureau population estimate for 2006, updated after a successful challenge to the original estimate. See http://www.chattanooga.gov/mayors_office/mayorsoffice_mayorscensuschallenge.htm

CITY OF CHATTANOOGA, TENNESSEE

REVENUE BOND COVERAGE
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30	EPB Revenue Bonds						Times Coverage	
	Total Revenues	(1)	Less: Operating Expenses	(2)	Net Available Revenue	Debt Service		
						Principal(3)		Interest
2005	\$ 374,595,000		\$ 353,195,000		\$ 21,400,000	\$ 1,600,000	\$ 1,740,800	6.4
2006	423,616,000		396,906,000		26,710,000	1,600,000	1,664,800	8.2
2007	444,347,000		416,580,000		27,767,000	1,600,000	1,658,761	8.5

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) Total revenues include operating revenues and interest earnings.

(2) Operating expenses are less depreciation expense.

(3) Retired \$1,600,000; refunded \$22,400,000; issued \$63,430,000.

CITY OF CHATTANOOGA, TENNESSEE

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST THREE FISCAL YEARS

Calendar Year	Population(1)	Per Capita Income(4)	Median Age(2)	Education Level In Years of Formal Schooling(2)	School Enrollment(2)	Unemployment Rate(3)
2005	154,853	\$ 29,912	38.1	23.5% 4yr. Degree	40,660	4.8%
2006	154,762	31,113	39.1	21.6% 4yr. Degree	40,095	5.3%
2007(5)	155,190	32,499	38.8	17.4% 4yr. Degree	39,020	4.7%

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) U.S. Census Bureau

(2) Chamber of Commerce

(3) Tennessee Department of Employment Security

(4) U.S. Department of Commerce Bureau of Economic Analysis

(5) U.S. Census Bureau population estimate for 2006, updated after a successful challenge to the original estimate.

See http://www.chattanooga.gov/mayors_office/mayorsoffice_mayorscensuschallenge.htm.

CITY OF CHATTANOOGA, TENNESSEE

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hamilton County Department of Education (1)	5,070	1	3.38%	2,323	8	1.55%
BlueCross BlueShield of Tennessee	3,808	2	2.54%	3,067	3	2.04%
Erlanger Medical Center	3,217	4	2.15%	3,466	2	2.31%
McKee Foods Corp.	3,200	3	2.14%	2,755	4	1.83%
UnumProvident Corp.	2,930	5	1.96%	1,933	11	1.29%
Memorial Hospital	2,615	6	1.75%	2,361	7	1.57%
City of Chattanooga	2,615	7	1.75%	2,519	5	1.68%
CIGNA HealthCare	2,154	8	1.44%			0.00%
Synthetic Industries	1,931	9	1.29%	1,700	14	1.13%
Pilgrim's Pride Corp.	1,610	10	1.07%			0.00%
Tennessee Valley Authority			0.00%	4,995	1	3.33%
University of Tennessee at Chattanooga			0.00%	2,381	6	1.59%
Bi-Lo, Inc.			0.00%	2,175	9	1.45%
Chattanooga Public School (1)			0.00%	2,171	10	1.45%
Total	<u>29,150</u>		<u>19.45%</u>	<u>31,846</u>		<u>21.20%</u>

Source: Chattanooga Chamber of Commerce 2006 and 1998 Bond issue Official Statement.

Note:

(1) The City and County school systems were combined in 1998.

CITY OF CHATTANOOGA, TENNESSEE
 FULL-TIME EQUIVALENT CITY GOVERNMENT POSITIONS
 BY FUNCTION
 LAST THREE FISCAL YEARS

Function	Full-Time Equivalent Positions as of June 30		
	2007	2006	2005
General Government	275	266	276
Public Safety			
Police:			
Sworn	471	472	472
Civilian	212	206	196
Fire:			
Sworn	400	400	400
Civilian	17	18	18
Public Works	333	339	338
Parks, Recreation, Arts & Culture	226	217	238
Education, Arts and Culture	26	24	-
Social Services	294	339	340
Interceptor Sewer System	124	115	115
Solid Waste/Sanitation	13	14	14
Storm Water	50	49	49
EPB	<u>394</u>	<u>402</u>	<u>407</u>
Totals	<u>2,835</u>	<u>2,861</u>	<u>2,863</u>

Source: City budget office.

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

CITY OF CHATTANOOGA, TENNESSEE
OPERATING INDICATORS BY FUNCTION
LAST THREE FISCAL YEARS

Function	Fiscal Year		
	2007	2006	2005
General Government:			
311 Service Requests Created	76,101	66,710	77,400
% of Current Tax Levy Collected	96.0	95.5	95.7
Police:			
Crimes Committed (1)	13,999	13,843	14,315
Moving/Parking Violations	98,984	78,052	75,826
Citizen Complaints	33	96	102
Fire:			
Emergency Calls	11,385	10,617	9,899
Inspections	3,774	2,492	2,586
Public Works:			
Sidewalks Repaired (sq. ft.)	335	1,660	3,374
Streets Paved (sq. ft.)	516,146	632,793	851,511
Parks, Recreation, Arts & Culture:			
Chattanooga Zoo - Attendance	149,582	125,293	127,974
Recreation Centers - Attendance	458,331	394,660	400,959
Social Services:			
Children Immunized	871	768	875
Households Assisted	3,268	4,119	6,566
Interceptor Sewer System:			
NPDES Violations	5	5	4
Combined Sewer Overflows	83	118	119
Solid Waste/Sanitation:			
NPDES Landfill Violations	0	4	17
Violation Notices to Industry	96	61	44
Storm Water:			
311 Service Requests Created	1,586	1,808	2,559
311 Service Requests Unresolved	34	53	269

Source: City budget office.

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.

(1) Crimes committed are reported on the prior calendar year as reported by the Chattanooga Police Dept. ChattResults.

CITY OF CHATTANOOGA, TENNESSEE
CAPITAL ASSET STATISTICS BY FUNCTION
LAST THREE FISCAL YEARS

Function	Fiscal Year		
	2007	2006	2005
General Government:			
City Fleet	1,709	1,670	1,663
Properties Returned to Tax Rolls	0	22	23
Police:			
Stations	3	3	3
Patrol Units	450	450	450
Fire:			
Stations	17	17	17
Ladder Trucks/Fire Engines/Combos	24	24	23
Public Works:			
Miles of Paved Streets	1,154	1,150	1,200
Signalized Intersections	314	312	303
Garbage Trucks	21	21	21
Knuckleboom Trucks	21	21	21
Interceptor Sewer System:			
Miles of Sewer	1,200	1,200	1,200
Pump Stations	67	55	55
Parks, Recreation, Arts & Culture:			
Parks	50	50	50
Recreation Centers	16	16	15

Source: City Budget Office

Note: This format was not required until fiscal year 2006; there will ultimately be ten years of information provided.